The Financial Statement for the last year (1079) which I placed before you showed a receipt of Rs. 1,01,98,462 and an expenditure of Rs. 1,05,16,587. The figures were, as I stated, only approximate. The correct figures according to the Financial Statement published in the Administration Report are Rs. 1,02,01,853 and Rs. 1,06,24,320 while you will find the corresponding figures in the Statement given above to be Rs. 98,57,663 and Rs. 1,02,80,130. Some explanation is therefore necessary for the reduction of Rs. 3,44,190 on both sides of the account.

You are aware that the sale of salt is carried on by Government Agency at uniform rates throughout the State at what are called Salt Bankshalls and the entire sale proceeds including duty was hitherto credited as Salt Revenue, while the cost price of salt at the local pans, cost of import of Bombay Salt by sea, cost of inland transport to the Bankshalls and the cost of establishments therein maintained for conduct of sale were debited *per contra* to service payments under Salt Department. In my opinion the excise and import duties on Local and Bombay salt, fines, forfeitures, &c., should alone be credited as Salt Revenue, and Refunds and drawbacks, if any, and the cost of establishment maintained for the protection and collection of such duty, fines, forfeitures, should alone find place under service payments, the other items of cost referred to being debited under Debt Head as Salt Advances to be adjusted by the difference between the duty and the price at which salt was sold, and any unadjusted balance at the end of the year being credited or debited to Government account as profit or loss on sale of salt as the case may be. Since 1080 this separation of the fiscal from the business portion of the Salt administration has been adopted and the accounts of 1079 have been accordingly recast and entered in the accompanying Budget for facility of comparison. Hence the reduction above referred to.

Having accounted for this nominal fall on both sides of the account for 1079, I now proceed to explain the variations between the actuals of 1080 and 1079 and between the actuals of 1080 and the sanctioned Budget of 1081.

# RECEIPTS.

## I. GENERAL PUBLIC SERVICE.

### *A. PRINCIPAL HEADS OF REVENUE.*

(i) *Land Revenue.*—The fall of Rs. 89,600 as compared with 1079 was due to the abolition of the Viruthy service fund in the middle of the year and partial remission on account of drought in Southern Division. A still smaller figure has been taken for the budget of 1081 as no more collections under the above fund will be made during this year.

(ii) *Salt.*—The duty was Rs. 2 throughout 1079 while it continued at that rate for only 7½ months of 1080 and was reduced to 1½ for the remaining portion of the year. The estimate for 1081 is based on the lower rate. Hence the fall.

(iii) *Excise.*—There was a fall of 1 lakh in duty on Jaffna tobacco and of Rs. 90,000 under country liquor both due to unfavorable season and probably also to want of sufficient protection against smuggling and illicit distillation. Now that a separate Department has been organised and the sale of opium and ganja placed on an improved footing, Rs. 20,70,000, the sum that was realised in 1079, has been budgeted for 1081.

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(iv) *Customs.*—The fall is entirely in exports. With more efficient protection and larger anticipated exports, it is expected that the actuals of 1079 may be very nearly reached in 1081.

(v) *Marine.*—The differences call for no remarks.

(vi) *Cardamom.*—With the concessions recently granted it is hoped that the industry will develop itself gradually.

(vii) *Forests.*—The fall of Rs. 36,788 during 1080 is reported to be due to slack demand and stoppage of retail sales at the Depots. Better results are anticipated for 1081.

(viii) *Stamps.*—The increase is greater portion nominal. The court-fees which were collected entirely in cash and credited to Law and Justice in 1079 were so collected and credited only for seven months in 1080; and for the remaining months the collection was in court-fee stamps and credited under this head. Taking both Stamps and Law and Justice (Courts of Law,) together, the actual increase in 1080 was Rs. 10,433—(11,25,568—11,15,135). For 1081 Rs. 10,80,000 under Stamps and Rs. 28,000 under Law and Justice have been estimated.

(ix) *Registration.*—The revenue is steadily increasing though at a small rate.

### *B. RECEIPTS BY CIVIL DEPARTMENTS.*

The variations under Law and Justice "Courts of Law" are nominal and due to the introduction of court fee stamps as explained under stamps.

The only other noticeable variations are under Mint, due to large copper coins having been minted in 1079 and since stopped, reminting of withdrawn silver chuckrums having been taken up instead, and under Education, Science, Arts and Minor Departments, owing to omission from both sides of the account of the receipt and expenditure on account of book-depôt and similar items which should properly be treated as business concerns and will be so dealt with under Debt-Heads of account from 1081. Under Devaswoms and Oottupurahs the variations are nominal, the procedure hitherto adopted being to charge the whole amount of sanctioned scale as expenditure and to take credit of the unspent balance at the end of the year as Revenue under these heads. Since the new system of auditing and accounting has been introduced, the unspent balance of one month is short drawn in the bill for next month, and only the actual expenditure is booked. The receipts under Public Works Department were abnormal during 1080.

### *C. MISCELLANEOUS.*

The large variations under this head are also nominal and due to change in account procedure. Under the old system all advances made were charged off in the account as expenditure and the recoveries made were credited under the same head as income. Under the new system the debits and credits on this account are taken to the Debt-Heads of Account, balances struck at the end of the year, duly verified and carried forward to the following year as the opening balance of that year on this account. The recoveries made during 1080 out of the advances made prior to that year have therefore been credited under this head and a new advance account has been opened from the beginning of the year to be dealt with as described above.

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